

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

November 27, 2012

Attendees: Jim Pinkerton, *Regence*; John Borer, *PEHP*; Dave Jackson, *FirstWest Benefit Solutions*; Michelle White, *UID*; Jim Murray, *SelectHealth*; Perri Babalis, *Utah Attorney General*; Norm Thurston, *Governor's Office*; Patty Conner, *OCHS*; Sue Watson, *OCHS*; Jill Goodmansen, *OCHS*; Rebecca Norfleet, *OCHS*; Gabriela Benitez, *GBS Benefits*; John Malampay, *PEHP*; Lorraine Mayne, *Milliman*;

Kim Miller, *UHC* (via telephone); Lori Koehler, *bSwift* (via telephone); Frank Kyle, *Altius* (via telephone); Don Garlitz, *bswift* (via telephone)

- I. Meeting called to order at 1:07 p.m.
- II. Prior months meeting minutes approved with corrections noted.
- III. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information handed out can also be found at www.exchange.utah.gov.
 - a. Introduced new employee Rebecca Norfleet from OCHS.
 - b. Exchange Statistics
 - i. There are 5 additional groups for December.
 - ii. Currently have 318 employer groups, 2,624 employees, 4,905 dependents, and 7,529 total covered lives.
 - iii. 2 groups dropped for the month of December that had a higher head count.
 - iv. 33.3% conversion rate
 - v. Average contribution is \$437
 - vi. 93% renewal rate
 - vii. 32% did not have prior coverage before joining the Exchange
 - viii. Open enrollment for January groups started 11/26/2012 and goes through the end of next week. 63 groups renewing in the month of January. At one point there were 60 new groups quoting with AvenueH.
 - c. Dental and Vision Updates
 - i. Recently had a workgroup meeting with Representative Dunnigan and Kaiser. Also had representatives from all carriers including dental and vision. Discussion included rules for dental and vision would be they cannot bundle with the medical plan. Everyone would have the opportunity to participate, but have to have an insured product. The carriers still wanted opportunity to underwrite for dental and vision to see who was in the group. Will review and come up with a standard app, one is already in place. Employees will see all the medical options, but on the dental side, the employees will be limited to their options. Ask carriers to still offer enough variety and not just one plan. Apply the same participation requirement of 75% for dental and vision. No limitation on the contribution amount. Employer can split contribution or they can do 100% contribution. Employee could enroll in dental and vision only but the employer cannot just

enroll the group in dental and vision. The effective date is planned to be in the system in April for the July 1st effective date groups. Will finalize details in next workgroup meeting. Need to nail down rules with the vendors. Concerns over the number of vendors joining, but currently no limit with the number of dental and vision carriers. Carriers will be charged to participate in AvenueH from as low as \$2000 to \$10000 to be charged to the carriers. Dave Jackson brought up some concerns over the favorable conditions for the dental and vision carriers vs. the traditional market place to join as participation has gone down. Eligibility feeds are going to be a cost for the new carriers to join. None of the carriers have the dental plans embedded in the medical plan today. Patty will still need to discuss the broker commission and administration fees for dental and vision. Will offer to domestic partners. Rates will be very competitive. The underwriting for dental and vision will be based on demographics and not health.

- d. Webinar on Friday 11/30/12 8:30 am. Talk about marketplace single streamline application. Patty will send to all carriers including the call in number. Discussion has not ended on this topic and another task force will be scheduled in the next 2 weeks or so.

IV. John Borer with PEHP

- a. Risk Adjustment & Premium Allocation subcommittee report
 - i. No update, group did not meet this month. Still have on the agenda the July 2013 renewal.

V. Kim Miller with United HealthCare

- a. Underwriting Subcommittee Report
 - i. There are 20 renewals for March. One group in segment with over 100 employees. Need further discussion on what to do with these groups. Proposal current rating structure and not apply the 85% risk factor. Decide to keep the same age rates instead of composite rates. Can go above the rate band and can still pick all products. Insurance Department has stated the groups in this case have to be allowed to continue with the small group product they are on. Retain the same methodology and no changes made. Kim will pass onto the carriers this information and offer same plans. Still working with Sue on some other outstanding issues.
 - ii. Ann Ibrihim – Process developed by Underwriting workgroup to deal with incomplete health information. Concept is group that applies to UHE where one carrier knows the health history submitted is not complete. Spoke to Nancy and Tanji to get guidance on if information can be shared and it cannot. All carriers review information at the same time and can reach out to brokers with incomplete/inaccurate information. Tell them this information will need to be updated and re-submitted. Blind copy email sent by OCHS to all carriers through Cross carrier comments in eHealthApp system. Name of the carrier that has given this information. The notification will have all carriers stop the process and if GRF has already been provided, it will be

pulled back. Need feedback from the RAB. Carriers have already provided updates to Sue Watson. Alert will be sent to the carriers to stop the underwriting as a protection to the carriers. Could be an issue from a previous quote. Sue passed out the process document in meeting. OCHS will not disclose the health issue but just to review and stop underwriting. Underwriting workgroup wants permission to implement process. Have had extensive discussion on this added process in previous workgroup meetings.

Dave Jackson moves to accept the underwriting workgroup's recommendation to implement a warning mechanism that may be initiated by participating carriers in regards to asking for additional underwriting information that may be available that has not been disclosed. Kim seconds motion. Motion is carried.

VI. Jim Murray with SelectHealth

a. Legal Subcommittee

- i. Union group issue discussed in meeting and came to agreement on this. Group applying to AvenueH where the employer has a bargaining agreement. Can we consider excluding bargaining employees as being eligible? Do we allow these groups to carve out benefits to be on AvenueH? Allow employer to make decision to either carve out employees under collective bargaining agreement. Non-union employees can also be part of the collective bargaining agreement. Could ask for the collective bargaining agreement during determination of eligibility. Update the Plan of Operations to include collective bargaining agreement eligibility. **Jim Murray moves that we allow groups that have a collective bargaining agreement with the option of classing out those who are eligible for health insurance under the collective bargaining agreement for purposes of determining the participation requirements of groups applying through AvenueH and the underwriting workgroup will further define the operational aspects of how to make that work. Kim seconds motion. Motion is carried.**
- ii. Still making progress with analysis of contracts.

VII. Insurance Department

a. No Update.

VIII. Next Meeting will be December 18, 2012 at 1:00 pm

IX. Meeting adjourned at 2:37 p.m.